

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-108-C - ORDER NO. 2000-0403  
MAY 5, 2000

IN RE: Application of Advantage Telecommunications, ) ORDER  
Corporation For A Certificate of Public ) GRANTING  
Convenience and Necessity To Provide ) CERTIFICATE FOR  
Intrastate Resold Interexchange ) LONG DISTANCE  
Telecommunications Services Within South ) AUTHORITY  
Carolina. )

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Advantage Telecommunications, Corporation ("Advantage" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold interexchange telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. The Company's Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Advantage to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Advantage's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and

provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on November 3, 1999, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip T. Bradley, Chairman, presided. John J. Pringle, Jr., Esquire, represented Advantage. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Ms. Sonya A. Bly, President of Advantage Telecommunications, Corporation appeared and offered testimony in support of the Company's Application. As President of the Company, Ms. Bly is responsible for overseeing all day-to-day operations of Advantage Telecommunications, Corporation. The record reveals the Company plans to provide interexchange services in South Carolina. Ms. Bly testified as to the Company's managerial, technical, and financial ability to provide telecommunications services in South Carolina.

The record reveals Advantage Telecommunications, Corporation was organized on March 12, 1997, as Delaware corporation and the Company has received authority from the Secretary of State of South Carolina to transact business in South Carolina as a foreign corporation. In addition, as of the date of the hearing, Advantage Telecommunications, Corporation had received authorization to provide its services in several states including Arkansas, Georgia, Idaho, Kentucky, and Washington. Although the Company does not have any offices in South Carolina, Advantage

Telecommunications, Corporation will offer its services on a statewide basis upon receiving certification from the Commission.

Ms. Bly testified the Company is adequately funded for continuous operation. The Company submitted financial statements ending August 31, 1998, with its Application. According to the balance sheet, the Company's total current assets were \$580,980.00 and its total current liabilities were \$393,017; therefore, the Company had a good current ratio or ability to meet its current debts. In addition, the balance sheet indicated positive retained earnings.

Qwest Communications will operate as the underlying carrier for the long distance services Advantage Telecommunications offers in South Carolina. The testimony reveals the Company purchases services at a discount from the underlying carrier(s) and then resells the service under its own brand name to the public. USBI handles Advantage Telecommunications, Corporation's customer service inquiries; the customer service department is open from 8:00 a.m. until 5:00 p.m.; telephone calls received after hours are recorded and responded to the next day. In addition, Advantage Telecommunications, Corporation's billing services are performed by USBI and USBI's name and toll-free telephone number appear on bills sent to Advantage Telecommunications' customers. The record also reveals Advantage Telecommunications will market its services by using independent agents and/or in-house sales representatives. The Company also utilizes telemarketers to attract customers.

The management team of Advantage Telecommunications, Corporation consists of Sonya Bly, Cheyenne Devine, and Bonnie Sellers. Ms. Bly is the founder of

Advantage Telecommunications. According to the record, she has been involved in the telecommunications industry since 1993 where she was employed by a long distance reseller to start an in-house customer service department for the reseller. Cheyenne Devine is the Assistant to the President of the Company and she has been employed with Advantage Telecommunications Corporation since 1997. Prior to becoming employed by Advantage Telecommunications, Corporation, Ms. Devine worked with Nationwide Telecom, Incorporated as a customer service representative and supervisor of Nationwide Telecom's customer service department. Finally, Bonnie Sellers began to perform data entry for the Company in April 1998. Ms. Bly is the regulatory and financial contact person for the Company.

During the hearing, Ms. Bly testified that a complaint was pending against the Company with the Michigan Public Service Commission; however, she did not know the subject matter of the complaint. After the hearing on November 3, 1999, and pursuant to the direction of the Commission, Ms. Bly provided the Commission with information regarding the substance of the slamming complaints in Michigan and information regarding the billing of Advantage's customers by USBI. Regarding the three formal slamming complaints in Michigan, in the first case, the Michigan Public Service Commission found the Company switched the complainant's toll service without authorization; ordered the Company to pay a fine and to pay restitution to the complainant; and ordered the Company to cease and desist from all further violations of the Michigan Telecommunications Act and the Commission's anti-slamming procedures adopted in Case No. U-11900. Regarding the other two formal complaints, the Company

entered into a settlement agreement with the other two complainants regarding the alleged slamming by Advantage; both settlement agreements were approved by the Michigan Public Service Commission.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. Advantage is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Advantage operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.

3. Advantage has the experience, capability, and financial resources to provide the services as described in its Application.

#### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Advantage to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission; however, we hereby impose a

six-month probationary period that starts when the Company begins offering its services in South Carolina, due to the formal slamming complaints which arose before the Michigan Public Service Commission. This Commission is very concerned about the slamming complaints in Michigan; therefore, we instruct the Commission Staff to monitor the Company during the six-month probationary period, and report any complaints or problems which arise after the Company begins to offer its services in South Carolina to this Commission. Further, this Commission will take the appropriate legal steps to expeditiously review any non-compliance by the Company. The Company may be subject to an additional hearing after notice. In addition, we will review the Company's performance at the end of the six-month probationary period. The Company will report to this Commission the date that it begins offering services in South Carolina, for purposes of beginning the probationary period. If this Commission believes, after the probationary period, that Advantage Telecommunications, Corporation's performance is detrimental to the public interest, it may revoke this Certificate, after notice and hearing.

2. The Commission adopts a rate design for Advantage for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Advantage shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Advantage shall file

its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, Advantage shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Advantage is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Advantage shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Advantage changes underlying carriers, it shall notify the Commission in writing.

8. Advantage shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Advantage shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, Advantage shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3,

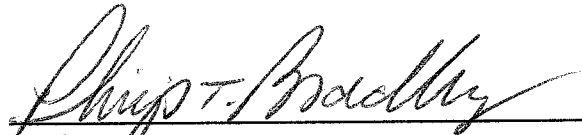


1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

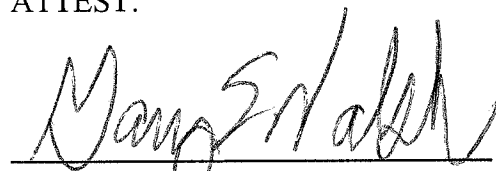
11. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 1999-108-C - ORDER NO. 2000-03403  
MAY 5, 2000  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'

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COMPANY NAME

FEIN

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ADDRESS PHONE NUMBER

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CITY, STATE, ZIP CODE FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31, OR FISCAL YEAR. \$ \_\_\_\_\_
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31, OR FISCAL YEAR. \$ \_\_\_\_\_
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS  
ENDING DECEMBER 31, OR FISCAL YEAR. \$ \_\_\_\_\_
4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING  
DECEMBER 31, OR FISCAL YEAR. \$ \_\_\_\_\_
5. PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED  
COST PERCENTAGE (%) \_\_\_\_\_
6. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF  
EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF  
ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).
7. **CONTACT PERSON FOR ALL FINANCIAL INQUIRIES AND REPORTING:**

NAME \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY) \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

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SIGNATURE

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NAME PLEASE PRINT OR TYPE

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TITLE

MAY 5, 2000

ATTACHMENT B

## AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

\_\_\_\_\_  
Company Name ( Including dba Name(s) or Acronyms used or to be used in South Carolina)

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

A.

\_\_\_\_\_  
General Manager Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

B.

\_\_\_\_\_  
Customer Relations (Complaints) Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

C.

\_\_\_\_\_  
Engineering Operations Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

D.

\_\_\_\_\_  
Test and Repair Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

E.

\_\_\_\_\_  
Contact for Emergencies During Non-Office Hours (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

F.

\_\_\_\_\_  
Financial Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number / Facsimile Number / E-mail Address

G.

\_\_\_\_\_  
Customer Contact Telephone Number for Company (Toll Free)

\_\_\_\_\_  
This form was completed by

\_\_\_\_\_  
Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)  
or Utilities Department at (803-896-5105).**